

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of)

CRAIG W. EDWARDS,)

A Former Institution-Affiliated party of)

Washington Mutual Bank, FA,)

Stockton, California.)

OTS No. 08551)

Order Nos.: SF-05-005 and SF-05-006

Date: April 8, 2005

**STIPULATION AND CONSENT TO THE ISSUANCE OF
AN ORDER TO CEASE AND DESIST
AND AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

WHEREAS, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, has informed Craig W. Edwards (**EDWARDS**), a former financial center manager of Washington Mutual Bank, FA, Stockton, California, OTS Docket No: 08551 (Washington Mutual), that grounds exist to initiate administrative cease and desist prohibition and civil money penalty proceedings against him pursuant to 12 U.S.C. §§ 1818(b) and (i);¹

WHEREAS, **EDWARDS** desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings and, without admitting or denying that such grounds

¹ All references to the United States Code (U.S.C.) are as amended, unless otherwise indicated.

exist, or the Findings of Fact or opinions and conclusions of the OTS, except as to Jurisdiction, Paragraph 1, below, which is admitted, hereby stipulates and agrees to the following:

1. **Jurisdiction.**

(a) Washington Mutual is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c);

(b) **EDWARDS** was a financial center manager Washington Mutual until September 29, 2001, and is an “institution-affiliated party” as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within 6 years of the date hereof (see 12 U.S.C. § 1818(i)(3)); and

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” to maintain administrative prohibition and civil money penalty proceedings against such institution-affiliated parties of a savings association. Therefore, **EDWARDS** is subject to the jurisdiction of the OTS to initiate and maintain administrative proceedings against him pursuant to 12 U.S.C. § 1818(b) and (i). The Director of the OTS has delegated to the Regional Director of the West Region of the OTS or his designee (Regional Director) the authority to issue prohibition orders and orders of assessment of civil money penalties where the individual has consented to the issuance of the order.

2. **OTS Findings of Fact.** The OTS finds that, **EDWARDS**, while employed as a financial center manager received a portion of a payment made for the sale and release of confidential customer/borrower credit and financial information to third parties, in violation of the privacy provisions of the Gramm-Leach-Bliley Act (GLBA) and the anti-kickback provisions of the Real Estate Settlement Procedures Act (RESPA). In addition, while a financial center

manager, EDWARDS was aware of other instances of such improper sale and release of customer confidential information by his subordinate but took no steps to stop it.

3. **Consent.** EDWARDS consents to the issuance by the OTS of the accompanying Consent Order to Cease and Desist and Consent Order of Assessment of Civil Money Penalties (Orders). EDWARDS further agrees to comply with the terms of the Orders upon issuance and stipulates that the Orders comply with all requirements of law.

4. **Finality.** The Orders are issued under 12 U.S.C. §§ 1818(b) and (i). Upon their issuance by the OTS, they shall be final orders, effective and fully enforceable by the OTS or any other appropriate Federal banking agency under the provisions of 12 U.S.C. § 1818(i).

5. **Waivers.** EDWARDS waives the following:

(a) The right to be served with a written notice of the OTS's charges against him, as provided by 12 U.S.C. § 1818(b);

(b) The right to be served with a written notice of assessment of civil money penalties against him as provided by 12 U.S.C. § 1818(i);

(c) The right to an administrative hearing of the OTS's charges against him, as provided by 12 U.S.C. §§ 1818(b) and (i);

(d) The right to seek judicial review of the Orders, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Orders;

(d) Any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Orders, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412; and

(e) The right to assert this proceeding, his consent to issuance of the Orders, the issuance of the Orders, or the payment of any monies as contemplated by the Orders as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. **Other Governmental Actions Not Affected.** EDWARDS acknowledges and agrees that the consent to the issuance of the Orders is for the purpose of resolving this OTS enforcement matter only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any other actions, charges against, or liability of EDWARDS that arise pursuant to this action or otherwise and that may be or have been brought any other governmental entity.

7. **Agreement for Continuing Cooperation.** EDWARDS agrees that he will continue to provide discovery and testify truthfully at any deposition and at any judicial, administrative, or investigative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to Washington Mutual, its holding company, service corporations, subsidiaries, or institution-affiliated parties at the OTS's written request, on reasonable notice and without service of a subpoena.

8. **Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and validity of the Stipulation and Orders;

(b) All references to the OTS in the Stipulation and Orders shall also mean any of the OTS's predecessors, successors, and assigns;

(c) The section and paragraph headings in the Stipulation and Orders are for convenience only, and such headings shall not affect the interpretation of the Stipulation or Orders;

(d) The terms of the Stipulation and Orders represent the final agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(e) The Stipulation and Orders shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, EDWARDS executes this Stipulation and Consent to the Issuance of an Order to Cease and Desist and an Order of Assessment of Civil Money Penalties intending to be legally bound hereby.

Accepted by:

OFFICE OF THRIFT SUPERVISION

By: /S/
CRAIG W. EDWARDS

By: /S/
Michael E. Finn
Regional Director
West Region

Dated: 4/1/05

Dated: 4/8/05

(Edwards C&D CMP Stip c:\wmu\edwards)

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In the Matter of)	
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CRAIG W. EDWARDS,)	Date: <u>April 8, 2005</u>
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A Former Institution-Affiliated Party of)	
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Washington Mutual Bank, FA,)	
Stockton, California.)	
OTS No. 08551)	
)	

CONSENT ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, Craig W. Edwards (**EDWARDS**) has executed a Stipulation and Consent to the Issuance of an Order of Prohibition and Order of Assessment of Civil Money Penalties (Stipulation); and

WHEREAS, **EDWARDS**, by his execution of the Stipulation, has consented and agreed to the issuance of this Consent Order of Assessment of Civil Money Penalties (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(i).¹

NOW THEREFORE, IT IS ORDERED that:

1. **EDWARDS** shall pay a civil money penalty in the sum of \$2,000 by certified check or money order made payable to the order of the Treasurer of the United States as follows: \$500 upon issuance of this Order; \$500 within 90 days of the issuance of this Order; \$500 within 180

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